# Plumbers, Pub-Keepers and Notaries: Big Tech's New Disguise

A group of small businesses called 3C is rallying to Big Tech's defense. Evidence suggests it's not organic



Members of the Connected Commerce Council visited Capitol Hill in June 2019 to defend large technology platforms against Congress' antitrust investigation

As regulators and lawmakers step up their antitrust investigations of Google, Amazon and Facebook, the companies have a new ally in their fight: a small Washington-based nonprofit called the Connected Commerce Council (3C) that came into being just a year ago.

Billing itself as "the voice of small business," 3C has fanned out across Washington to make the case that small companies love big tech—and that Congress should lay off the tech giants.¹ Over the past year, it has met with more than 50 members of Congress, filed at least seven official comments at regulatory agencies, and sent at least two representatives to testify before Congress. The new group has published a raft of materials painting a rosy picture of the tech giants, complete with quotes from small business owners heaping praise on them.

"Without companies like Facebook, Google, and Amazon, I would not have been able to find a customer base beyond the borders of my beloved Palmetto state," Myles Hagan, owner of Geoff's Farmhouse Tables in South Carolina, said in one press release. "Small businesses like mine tend to get hurt when Congress goes after the big guys."<sup>2</sup>

3C also rode to Google's defense two days after a June 2019 congressional hearing where witnesses blamed the tech platforms for the decline of the media business.<sup>3</sup> "Google is essential

<sup>2</sup> https://www.prnewswire.com/news-releases/small-business-owners-concerned-by-congressional-antitrust-investigation-300866280.html

<sup>1</sup> https://connectedcouncil.org

<sup>&</sup>lt;sup>3</sup> https://judiciary.house.gov/legislation/hearings/online-platforms-and-market-power-part-1-free-and-diverse-press https://www.politico.com/story/2019/06/11/news-publishers-congress-tech-scrutiny-1521220

to my business," said the publisher of Madeworthy Magazine and Tanglewood Moms, one of the small publishers quoted in 3C's media release. "Members of Congress should know the value Google unlocks for publishers like me and the journalism we are able to provide because of it."

But a review of the group's origins, structure and activities strongly suggests that 3C is little more than a front for the technology platforms themselves. Amazon, Facebook and Google are members of 3C's "Partner Council," along with Square, the digital payments company. 3C says these tech platforms provide "general support" for its programs for small business owners, suggesting they're also the driving financial force behind the group's lobbying efforts.<sup>5</sup>

3C isn't run by small business owners. An analysis of 3C's roster of executives and consultants shows most have significant past experience working with the big technology companies to secure favorable government policies. At least six people that serve as key staff or outside consultants to 3C have worked directly for Google, Amazon, or other trade groups funded by the two companies. Chief among them is 3C's president, Jake Ward, who helped launch a different group, the Application Developers Alliance, in 2011 that also counted Google as a member. Connected Commerce

In addition, some of 3C's members have also been featured as speakers at events funded by

the Partner Council, suggesting a well-established relationship with the tech companies. For example, at least four small businesses that are members of 3C have promotional relationships with Facebook. These relationships raise the prospect that the tech giants are leveraging their ties to get small businesses to lobby on their behalf.

Council

It's a tactic Google, in particular, has used before. A May 2018 report from the Google Transparency Project revealed that Engine, a San Francisco-based nonprofit that claims to be the "voice of startups in government," was little more than a creation of Google and its corporate parent, Alphabet Inc.<sup>8</sup> And Google has spent years touting its purported benefits for small businesses in a campaign it calls Grow with Google.<sup>9</sup>

The new organization has emerged at a critical moment, as the Justice Department prepares for an antitrust review of Google and the Federal Trade Commission (FTC) readies an investigation of Facebook and Amazon. <sup>10</sup> The House Judiciary Committee has launched its own broad investigation into competition in digital markets. <sup>11</sup> And the European Union's antitrust chief, Margrethe Vestager, who has already conducted probes of Google and Facebook, is now

https://connectedcouncil.org/person/jake-ward/

https://www.linkedin.com/in/jacobmward

<sup>&</sup>lt;sup>4</sup> https://connectedcouncil.org/small-online-publishers-defend-google-and-publishing-platforms/

https://connectedcouncil.org/connected-commerce-council-3c-to-host-skills-connect-events-for-small-businesses/

<sup>&</sup>lt;sup>6</sup> https://connectedcouncil.org/connected-commerce-council-3c-to-host-skills-connect-events-for-small-businesses/

<sup>&</sup>lt;sup>7</sup> https://www.developersalliance.org/member-directory#G

<sup>&</sup>lt;sup>8</sup> https://www.googletransparencyproject.org/articles/lobbyist-garage

<sup>9</sup> https://grow.google/local-businesses/#?modal\_active=none

<sup>10</sup> https://www.wsj.com/articles/ftc-to-examine-how-facebook-s-practices-affect-digital-competition-11559576731

<sup>11</sup> https://judiciary.house.gov/news/press-releases/house-judiciary-committee-launches-bipartisan-investigation-competition-digital

examining Amazon, and whether it unfairly uses data from third-party sellers to make decisions about what it sells.<sup>12</sup>

The companies already have huge lobbying forces to call on in Washington. Alphabet spent \$21.7 million on federal lobbying in 2018, topping the list of corporate spenders. Amazon, which spent \$14.4 million on federal lobbying, and Facebook, at \$12.6 million, were also among top spenders that year.

But with 3C, the tech giants are able to tap a hand-picked group of sympathetic small business owners to weigh in on privacy, security, competition, and other hot-button areas of technology policy, while concealing their own role. He greating the appearance of support from small businesses, 3C helps rebut the central charge that tech giants are likely to face in any antitrust investigation—that they abuse their dominant platforms to stifle competition from small upstarts, entrench their monopoly and benefit themselves.

And the group is quickly stepping up its role. In August 2018, less than three months after its formation, 3C submitted comments to the Federal Trade Commission that cast Facebook, Google, Amazon and Square in a favorable light and called for restraint as the agency evaluates new rules and possible antitrust enforcement actions against big tech. 15

The comments cited, anonymously, several purported small businesses expressing concern for regulation of big tech. "Our a-ha moment was when we started playing around with Facebook," said one. "There are many firsts that I was excited about, but the first that comes to mind was being able to list my products for sale on Amazon," said another. 16

The document's metadata, however, hints at the true provenance of all the big-tech friendly



Before becoming president of the Connected Commerce Council, Jake Ward helped lead a Google-funded trade group called the Application Developers Alliance for six years. Another nonprofit he now runs called Data Catalyst is funded by Google and Facebook.

<sup>&</sup>lt;sup>12</sup> https://www.cnbc.com/2018/09/19/eu-probing-amazons-use-of-data-on-third-party-merchants.html https://www.politico.eu/article/vestager-set-to-sanction-facebook/

<sup>13</sup> https://www.opensecrets.org/lobby/top.php?showYear=2018&indexType=s

<sup>14</sup> https://connectedcouncil.org/issues/

<sup>15</sup> https://connectedcouncil.org/small-businesses-need-digital-stability-not-onerous-rules-guest-view/https://www.ftc.gov/system/files/documents/public\_comments/2018/08/ftc-2018-0050-d-0024-155050.pdf https://www.ftc.gov/system/files/documents/public\_comments/2018/08/ftc-2018-0052-d-0015-154958.pdf

<sup>&</sup>lt;sup>16</sup> https://connectedcouncil.org/connected-commerce-council-3c-to-host-skills-connect-events-for-small-businesses/

https://www.ftc.gov/policy/public-comments/2018/08/20/comment-ftc-2018-0048-d-0055

https://www.ftc.gov/policy/public-comments/2018/08/20/comment-ftc-2018-0049-d-1528

https://www.ftc.gov/policy/public-comments/2018/08/20/comment-ftc-2018-0050-d-0024

https://www.ftc.gov/policy/public-comments/2018/08/20/comment-ftc-2018-0051-d-0023

https://www.ftc.gov/policy/public-comments/2018/08/20/comment-ftc-2018-0052-d-0015

https://www.ftc.gov/policy/public-comments/2018/08/20/comment-ftc-2018-0056-d-0017

opinions. The author of the FTC comment is listed as Jonathan Potter, a communications strategist who has a longtime relationship with Google and has worked on projects connected to Amazon. A recommendation posted on Potter's LinkedIn page by a former Google staffer said Potter "has worked closely with us at Google on many projects." <sup>17</sup>

In June 2019, 3C marshalled several "digitally empowered small businesses" to express concern about the recently announced House antitrust investigation. In a statement, 3C said they had urged the House subcommittee to "consider the importance of companies like Facebook, Amazon, and Google to America's small businesses." <sup>18</sup>

At the same time, 3C also sent the House subcommittee an analysis of "the importance of access to digital tools for American small businesses." The study, which 3C said was conducted in partnership with Deloitte, appears to have been a 2018 report that was commissioned by Google.<sup>19</sup>

#### **Leadership Ties to Big Tech**

The Connected Commerce Council was registered in Washington, D.C., on May 30, 2018.<sup>20</sup> Its first press release, issued on June 20, 2018, made the group's mission clear:<sup>21</sup>

Technology industry narratives often focus on huge opportunities and risks: disruption, angel investors, unicorns, antitrust, data privacy, and cybersecurity. These narratives are compelling, but they miss an important story: that **millions of small businesses are enabled and boosted by digital technology, and that our economy and society are stronger as a result**. These are the stories of the new Connected Commerce Council (3C).

Despite that focus, several leaders of the group have long histories working with tech giants. Jake Ward, 3C's president, has led or been involved with two other nonprofits that count Google and Facebook as financial supporters or clients.

From 2011 to 2017, Ward co-founded and served as a key executive of the Application Developers Alliance, which includes Google as a member.<sup>22</sup> Past board members of the alliance also have close ties to Google, including Don Dodge, who until recently worked at Google as a liaison between the company and developers who use its platforms, and venture capitalist Brad Feld, who sits on the board of Engine Advocacy, another Google-funded group.<sup>23</sup>

https://connectedcouncil.org/person/jake-ward/

https://www.linkedin.com/in/jacobmward/

https://www.linkedin.com/in/dondodge/

https://www.ftc.gov/policy/public-comments/2018/08/20/comment-ftc-2018-0057-d-0009

<sup>17</sup> https://www.linkedin.com/in/jonpotterdc/

<sup>18</sup> https://connectedcouncil.org/small-business-owners-concerned-by-congressional-antitrust-investigation/

 $<sup>^{19}\</sup> https://www2.deloitte.com/content/dam/Deloitte/us/Documents/technology-media-telecommunications/us-tmt-connected-small-businesses-Jan 2018.pdf$ 

https://www2.deloitte.com/us/en/pages/technology-media-and-telecommunications/articles/connected-small-businesses.html

<sup>&</sup>lt;sup>20</sup> https://www.documentcloud.org/documents/6188372-Connected-Commerce-Council-DC-Registration.html

<sup>&</sup>lt;sup>21</sup> https://connectedcouncil.org/an-advocate-for-digitally-powered-small-business/

<sup>&</sup>lt;sup>22</sup> https://www.engadget.com/2012/04/02/application-developers-alliance/

<sup>&</sup>lt;sup>23</sup> www.engadget.com/2012/04/02/application-developers-alliance/

One current Application Developers Alliance board member, Desiree Motamedi Ward, the head of developer platform marketing at Facebook, is a former product marketing lead for mobile apps at Google.<sup>24</sup>

In November 2018, five-and-a-half months after 3C was registered, Ward incorporated the Data Catalyst Institute, which also has strong ties to the tech giants.<sup>25</sup> The group, which has an advisory board of academics and small business owners, describes itself as a nonprofit working to "inform and shape data privacy policies that provide meaningful protection and promote economic and social good."<sup>26</sup>

Data Catalyst's financial supporters include Google, Facebook and 3C, according to the group's website.<sup>27</sup> The group was registered by Erica Roque, an attorney at the law firm of Arent Fox, which has represented Google in media and entertainment matters.<sup>28</sup>

Data Catalyst appears to employ a public affairs firm that also lobbies for 3C. The Washington, D.C., address on file for Data Catalyst, 19 D Street, SE, is the same address used by The Majority Group, the lobbying firm that works for 3C.<sup>29</sup> The Majority Group's Rob Ellsworth is 3C's vice president of government affairs.<sup>30</sup>

Data Catalyst has taken stances that align with the big three tech companies, criticizing data privacy initiatives that the companies oppose. It has described the California Consumer Privacy Act as legislation that "mercilessly attacks advertising-supported websites" and as being "rife with internal inconsistencies that will vex compliance and enforcement efforts."<sup>31</sup>

At least two members of 3C's "President's Council" also have prior business relationships with Google.<sup>32</sup> Aerica Banks was previously a Google patent analyst and served as the black small business liaison for its Washington, D.C., office.<sup>33</sup> Michiel Perry was previously a brand strategist and event planner for Google's Washington office.<sup>34</sup>

https://web.archive.org/web/20171203095536/https://www.developersalliance.org/board-of-directors/

https://www.engine.is/news/issues/keep-apis-open/202

https://www.engine.is/advisory-board

https://theintercept.com/2018/05/30/google-engine-advocacy-tech-startups/

<sup>24</sup> https://www.developersalliance.org/board-of-directors

https://www.developersalliance.org/board-bios/desiree-motamedi-ward

<sup>25</sup> https://www.documentcloud.org/documents/6188374-Data-Catalyst-DC-Registration.html

<sup>26</sup> https://datacatalyst.org/about-catalyst/

https://datacatalyst.org/advisory-council/

<sup>27</sup> https://datacatalyst.org/about-catalyst/

<sup>28</sup> https://www.documentcloud.org/documents/6188373-Data-Catalyst-DC-Directors.html

https://www.bna.com/erica-roque-m57982090950/

https://www.arentfox.com/services/media-entertainment

https://corponline.dcra.dc.gov/BizEntity.aspx/ViewEntityData?entityId=4227292

<sup>29</sup> https://www.opensecrets.org/lobby/clientsum.php?id=F317278&year=2018

<sup>30</sup> https://connectedcouncil.org/person/rob-ellsworth/

https://www.majoritygroup.com/rob-ellsworth

<sup>31</sup> https://datacatalyst.org/policy-analysis/california-consumer-protection-act-of-2018-cal-a-b-375/

https://www.wired.com/story/california-privacy-law-tech-lobby-bills-weaken/

<sup>&</sup>lt;sup>32</sup> https://connectedcouncil.org/about/team/#presidents-council

<sup>33</sup> https://connectedcouncil.org/person/aerica-banks/

<sup>34</sup> https://connectedcouncil.org/person/michiel-perry/

## **Consultant Links to Big Tech**

3C's roster of consultants also includes at least three people who have relationships with Google or Amazon.

One key communications strategist for 3C is Jonathan Potter, who has a longtime relationship with Google and has also worked on projects connected to Amazon. Potter's name appears in the metadata of comments that 3C submitted to the Federal Trade Commission in August 2018, suggesting that he authored or helped prepare the filing. He also attended an event the group organized in Washington, D.C., in November 2018.<sup>35</sup> Potter appears to currently be working at his own communications firm RPG Strategies, a company he created in 2010 but left from October 2016 to March 2017 to work at Burson-Marsteller.<sup>36</sup>



Jonathan Potter (right), a consultant who works for the Connected Commerce Council, has previously managed Google-funded groups and hosted a Google D.C. Talk in 2011.

Potter co-founded and helped run the Google-supported Application Developers Alliance with Ward.<sup>37</sup> As mentioned above, a former Google staffer, Don Dodge, praised his work at the alliance and said he "has worked closely with us at Google on many projects."<sup>38</sup> The longtime relationship between Potter and Google is further underscored by the fact that he was the moderator of a 2011 Google D.C. Talk titled "The App Economy," which included a panel of

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<sup>35</sup> https://www.facebook.com/pg/connectedcouncil/community/?ref=page\_internal&mt\_nav=0&msite\_tab\_async=0

<sup>&</sup>lt;sup>36</sup> www.linkedin.com/in/jonpotterdc/

https://www.prweek.com/article/1416167/burson-marsteller-hires-jon-potter-evp

<sup>&</sup>lt;sup>37</sup> https://www.washingtonian.com/2014/05/12/feeling-the-pull/

<sup>38</sup> https://www.linkedin.com/in/jonpotterdc/

mobile developers.<sup>39</sup> From 1998 to 2009, Potter was also the executive director of the Digital Media Association, an alliance of companies including Amazon that are involved in online audio and video.<sup>40</sup>

3C also works with Erin Grandstaff, a senior vice president at Squared Communications, a public relations firm that has also worked with Google.<sup>41</sup> (Grandstaff was present at the November 2018 3C event in Washington that was also attended by other 3C directors, members, and consultants, and her contact information has been listed on 3C press releases.<sup>42</sup>)

Squared Communications issued a November 2017 press release from Google promoting its visit to a school in Rhode Island with Rep. David Cicilline.<sup>43</sup> Grandstaff, who is based in Washington, D.C., also worked at the company's predecessor VennSquared, and her VennSquared email address appeared on a Google-related press release from September 2014.<sup>44</sup>

Squared Communications appears to have also worked closely with Google on other matters. The former head of Squared Communications' Silicon Valley office, Sarah Elliot, stated on her LinkedIn profile that she worked with the Google-backed Application Developers Alliance. She also posted a photo on her LinkedIn page of Squared Communications founder Michael Meehan standing in front of a Google office building.

https://www.huffpost.com/author/jon-potter

https://digitalmediawire.com/jon-potter/

https://web.archive.org/web/20060206220028/http://www.digmedia.org/joindima/members.cfm

https://docs.house.gov/meetings/IF/IF17/20140522/102255/HHRG-113-IF17-Bio-PotterJ-20140522.pdf

<sup>&</sup>lt;sup>39</sup> http://www.marooninteractive.com/mobile-apps-developers-discuss-the-app-economy/#sthash.SvtYGMAT.dpbs https://www.youtube.com/watch?v=TcayWwDupHY

<sup>40</sup> https://www.linkedin.com/in/jonpotterdc/

<sup>41</sup> https://www.linkedin.com/in/erin-grandstaff-215a564/

https://www.facebook.com/jeremy.howie/posts/1907423019334874

https://www.facebook.com/jeremy.howie/posts/1907423019334874

https://webcache.googleusercontent.com/search?q=cache:an AGzZSMyr AJ:https://connected council.org/de/category/pressemitteilungen/+&cd=1&hl=en&ct=clnk&gl=us

<sup>&</sup>lt;sup>43</sup> https://patch.com/rhode-island/smithfield/google-rep-david-cicilline-host-internet-safety-event

<sup>44</sup> http://www.needhamma.gov/DocumentCenter/View/10392

https://www.politico.com/tipsheets/politico-influence/2014/08/elliott-to-head-up-vennsquared-san-francisco-office-lowenstein-enters-dc-market-ev-taps-atalla-to-head-government-practice-212543

<sup>&</sup>lt;sup>45</sup> https://www.sqcomms.com/news/articles/politico-influence-elliott-to-head-up-sqcomms-san-francisco-office https://www.linkedin.com/in/sarahjeanelliott77/

<sup>46</sup> https://www.linkedin.com/in/sarahjeanelliott77/

Another public relations strategist who works with 3C is Patrick Boylan, founder of Raconteur Creative, 47 which counts Amazon as a client. 48 Boylan had also previously worked with 3C President Jake Ward at another group, the David All Group, that had performed work for Google. 49



Squared Communications, a public relations firm owned by Michael Meehan that works for the Connected Commerce Council, has also been hired by Google in the past.

## **Astroturf Operations**

A review of the comments 3C submitted to federal regulators, as well as meetings it has organized with members of Congress and op-eds signed by its members all suggest that the group is as committed to furthering the agenda of Google, Amazon and Facebook as it is to pursuing the interests of small business.

Under the guise of carrying out its stated mission "to promote small businesses' access to essential digital technologies and tools," 3C submitted seven comments to the FTC on August 20, 2018, advocating regulatory restraint as the agency evaluates new rules and possible antitrust enforcement actions against big tech. <sup>50</sup>

<sup>47</sup> www.facebook.com/jeremy.howie/posts/1907423019334874

https://www.linkedin.com/in/boylanpatrick/

<sup>48</sup> https://raconteurcreative.com/clients/

<sup>49</sup> https://www.linkedin.com/in/boylanpatrick/

https://www.linkedin.com/in/jacobmward/

https://www.linkedin.com/in/davidall/

<sup>50</sup> https://connectedcouncil.org/about/

https://connectedcouncil.org/connected-commerce-council-3c-to-host-skills-connect-events-for-small-businesses/

https://www.ftc.gov/policy/public-comments/2018/08/20/comment-ftc-2018-0048-d-0055

https://www.ftc.gov/policy/public-comments/2018/08/20/comment-ftc-2018-0049-d-1528

https://www.ftc.gov/policy/public-comments/2018/08/20/comment-ftc-2018-0050-d-0024

These comments and other materials published by 3C paint a positive picture of the group's known corporate members Facebook, Google, Amazon and Square, as well as other tech companies that may fund 3C, such as Squarespace, Wix, eBay, Etsy, QuickBooks, FreshBooks, Stripe, PayPal, Snap, Oath, Expensify, OpenTable, Slack, Houzz, Pinterest, Gusto, Shopify, and Skype. 51

The comments also include numerous anonymous quotes from 3C members, including seven that tout the benefits of products offered by Google, Amazon and Facebook:

- "There are many firsts that I was excited about, but the first that comes to mind was being able to list my products for sale on Amazon. This now accounts for 15% of our revenue a sizeable chunk that I would not be able to achieve through my wholesale customers." 52
- "Our a-ha moment was when we started playing around with Facebook. We joined because it was free and we had no marketing budget left. We had spent hundreds of thousands of dollars on print and television advertising and had seen no marked increase in sales volume. In contrast, Facebook delivered almost immediate growth in our day-to-day bookings." <sup>53</sup>
- "Google Drive has become our new go-to for quick access to photos that our technicians take in the field. Often it was difficult to get the field photos into the office quickly as the files were too big for email attachments. Being able to upload them to Google Drive is fast, efficient and helps our staff keep workflow running smoothly."<sup>54</sup>
- o "My first successful use of a digital platform was launching a Facebook-based business in 2011. Using only Facebook for sales and PayPal for invoicing, in our first year we booked \$1M in revenue." <sup>55</sup>
- o "Google GSuite and Skype allow me to live part-time in Costa Rica and Jamaica while running a business and managing teams in the United States and Canada." <sup>56</sup>
- "When you are on paper you can make something pretty but that doesn't help anyone get a feel for who you are and what is your culture. The real advantage of digital, like with Facebook and YouTube, is that people get a real feel for your company and your

https://www.ftc.gov/policy/public-comments/2018/08/20/comment-ftc-2018-0051-d-0023

https://www.ftc.gov/policy/public-comments/2018/08/20/comment-ftc-2018-0052-d-0015

https://www.ftc.gov/policy/public-comments/2018/08/20/comment-ftc-2018-0056-d-0017

https://www.ftc.gov/policy/public-comments/2018/08/20/comment-ftc-2018-0057-d-0009

<sup>&</sup>lt;sup>51</sup> https://connectedcouncil.org/small-businesses-need-digital-stability-not-onerous-rules-guest-view/https://www.ftc.gov/system/files/documents/public\_comments/2018/08/ftc-2018-0050-d-0024-155050.pdf https://www.ftc.gov/system/files/documents/public\_comments/2018/08/ftc-2018-0052-d-0015-154958.pdf

<sup>52</sup> https://www.ftc.gov/system/files/documents/public\_comments/2018/08/ftc-2018-0048-d-0055-155292.pdf

<sup>53</sup> https://www.ftc.gov/system/files/documents/public comments/2018/08/ftc-2018-0048-d-0055-155292.pdf

 $<sup>^{54}\,</sup>https://www.ftc.gov/system/files/documents/public\_comments/2018/08/ftc-2018-0049-d-1528-155176.pdf$ 

<sup>55</sup> https://www.ftc.gov/system/files/documents/public\_comments/2018/08/ftc-2018-0050-d-0024-155050.pdf

<sup>&</sup>lt;sup>56</sup> https://www.ftc.gov/system/files/documents/public\_comments/2018/08/ftc-2018-0050-d-0024-155050.pdf

people, and with reviews and public comments on Facebook and Google they get a real feel for what your customers think of you. The people are touching and feeling you and your business ethic." <sup>57</sup>

• "You do a Facebook Live video, upload it to YouTube, embed it into your webpage and then spread the word on LinkedIn and Pinterest. Then use your email list to drive early hits and see if your video climbs the Google rankings because people are watching the entire video and posting positive comments." 58

Another anonymous member comment in one of 3C's August 2018 submissions criticized Congress' questioning of Facebook CEO Mark Zuckerberg in April of that year, citing it as evidence that the government does not understand the potential impacts of new regulations on big tech:

"When I watched politicians interrogate Mark Zuckerberg it was very obvious that they know very little about how Facebook advertising and the Facebook ecosystem including millions of small businesses – actually works. If misinformed policies undermine the ecosystem it will drastically harm small companies that rely on that ecosystem."<sup>59</sup>

Ward testified at a House Committee on Small Business hearing titled "Flipping the Switch on Rural Digital Entrepreneurship" on March 13, 2019.<sup>60</sup> The following month, 3C member Caitlin Roberts, co-founder of pickle company Number 1 Sons, participated in a House E-Commerce Caucus event hosted by Amazon.<sup>61</sup>

3C also sent 24 of its members to meet with more than 50 members of Congress in defense of Facebook, Amazon and Google in May 2019.<sup>62</sup> One of the group's "Congressional Small Business Champions," Olivia Omega Wallace of Wallace Marketing Group in Denver, testified in front of the House Committee on Small Business Subcommittee on Innovation and Workforce Development on May 9, 2019, at a hearing about the "ways digital platforms empower small businesses." <sup>63</sup>

<sup>&</sup>lt;sup>57</sup> https://www.ftc.gov/system/files/documents/public\_comments/2018/08/ftc-2018-0050-d-0024-155050.pdf

<sup>58</sup> https://www.ftc.gov/system/files/documents/public\_comments/2018/08/ftc-2018-0050-d-0024-155050.pdf

<sup>&</sup>lt;sup>59</sup> https://www.ftc.gov/system/files/documents/public\_comments/2018/08/ftc-2018-0051-d-0023-152096.pdf

<sup>60</sup> https://smallbusiness.house.gov/calendar/eventsingle.aspx?EventID=450

<sup>&</sup>lt;sup>61</sup> https://connectedcouncil.org/3c-insider-jakes-top-5-brooklyn-event-april-25-amazon-e-commerce-event-on-capitol-hill-digital-tools-and-cash-flow-3c-member-spotlight-leesa-storfer/

https://www.hillhappenings.com/list/2019/4/3/small-businesses-and-e-commerce-briefing

<sup>&</sup>lt;sup>62</sup> https://www.prnewswire.com/news-releases/small-business-owners-concerned-by-congressional-antitrust-investigation-300866280.html

<sup>&</sup>lt;sup>63</sup> https://www.facebook.com/connectedcouncil/photos/a.228168764345491/352361455259554/?type=3&theater https://smallbusiness.house.gov/calendar/eventsingle.aspx?EventID=2554



3C "Congressional Small Business Champion" Olivia Omega Wallace of Wallace Marketing Group testified in front of the House Committee on Small Business Subcommittee on Innovation and Workforce Development on May 9, 2019.



Jeremy Howie has relied on his close ties to Facebook to help promote his advertising business. He now advocates on behalf of Facebook as a Connected Commerce Council board member.

Another target of the group's congressional lobbying effort has been the House Judiciary Subcommittee on Antitrust, Commercial and Administrative Law. A June 12, 2019, press release, titled "Small Business Owners Concerned by Congressional Antitrust Investigation," says that members of the group asked the subcommittee "to consider the importance of companies like Facebook, Amazon, and Google to America's small businesses, citing their investment, the value of their tools, services, and marketplaces to starting and growing a business." <sup>64</sup>

It included quotes from five members, including one that singled out Facebook, Google and Amazon for praise.<sup>65</sup>

3C also sent the subcommittee "a recent economic analysis of the importance of access to digital tools for American small businesses conducted in partnership with Deloitte." The report appears to have been a 2018 Deloitte analysis on small business technology trends that was commissioned by Google. 66

Another press release, dated June 13, 2019, said members of the group had "asked that the subcommittee invite comments and testimony from small online publishers when assessing the value of Google and other platforms to empower small, independent news organizations, find new audiences, and drive revenue in an evolving market." The release, titled "Small Online Publishers Defend Google and Publishing Platforms," included quotes from Ward and three other members of the group, each of whom said that Google was important to their business. 68

<sup>&</sup>lt;sup>64</sup> https://www.prnewswire.com/news-releases/small-business-owners-concerned-by-congressional-antitrust-investigation-300866280.html

<sup>65</sup> https://www.prnewswire.com/news-releases/small-business-owners-concerned-by-congressional-antitrust-investigation-300866280.html

<sup>66</sup> https://www2.deloitte.com/content/dam/Deloitte/us/Documents/technology-media-telecommunications/us-tmt-connected-small-businesses-Jan2018.pdf

https://www2.deloitte.com/us/en/pages/technology-media-and-telecommunications/articles/connected-small-businesses.html 67 https://www.prnewswire.com/news-releases/small-online-publishers-defend-google-and-publishing-platforms-300867125.html

<sup>68</sup> https://www.prnewswire.com/news-releases/small-online-publishers-defend-google-and-publishing-platforms-300867125.html

Earlier, in January 2019, 3C member Jeannie Franks, president of NotaryNow, wrote an op-ed in the *Hampton Roads Business Journal* claiming that new privacy regulations on big tech companies would harm small businesses.

It is easy to blame Google, Amazon and Facebook for making mistakes or being hacked, and to call them monopolists. It is harder to understand that these and many more digital platforms are using data science and artificial intelligence to help small businesses succeed. If government insists on massive changes to their operations, small businesses like mine could be hurt badly or even put out of business.<sup>69</sup>

Frank's connection to 3C is only noted in her author bio at the bottom of the article.

#### **Member Links to Big Tech**

The small businesses that are members of 3C are directly connected to Google, Amazon and Facebook in several ways.

While it is not clear if 3C's Partner Council compensates the group's members, the three companies do fund small business training events at which 3C members speak to their communities. Some of 3C's board members have served as speakers at such events as part of 3C's Skills Connect program. 3C's website says that "3C Partner Council members are active participants in the Skills Connect events, providing materials, expert speakers, and general support for the series." Facebook, Google and Amazon employees have also spoken at Skills Connect events. 1

At least four of the small business owners who serve as 3C board members have previously participated in Facebook promotional campaigns. One of these business owners has claimed to be a "Facebook Insider" who has gained access to some of the company's "high level" internal beta tests.

It is not clear if any of these business owners are being compensated by 3C's corporate sponsors or if they have previously been compensated by Facebook. However, it is evident that some of them have cozy relationships with Facebook—relationships the company may be leveraging to pressure small businesses to participate in 3C.

 Board member Victoria Wise, the Ft. Worth, Texas-based CEO of MadeWorthy Media, was a member of Facebook's inaugural Small Business Council and was

<sup>&</sup>lt;sup>69</sup> https://pilotonline.com/inside-business/news/columns/article\_ec1552d6-1039-11e9-b1ee-07f1e89b48cf.html https://connectedcouncil.org/member-profile-jeannie-franks-president-of-notarynow-llc/

<sup>&</sup>lt;sup>70</sup> https://connectedcouncil.org/connected-commerce-council-3c-to-host-skills-connect-events-for-small-businesses/

<sup>&</sup>lt;sup>71</sup> https://www.kcsourcelink.com/calendar/event-detail/2018/11/15/default-calendar/skillsconnect---grow-your-audience-your-brand-and-your-business

- selected by the company to attend its 2019 Communities Summit.<sup>72</sup> She has also served as a speaker as part of 3C's Skills Connect program.<sup>73</sup>
- Board member Marlene Romo Flores, the San Antonio-based marketing director for Salons by JC, joined Facebook's Small Business Council in 2016 and was featured in a Facebook Success Story case study.<sup>74</sup>
- O Board member Jeremy Howie is the Colorado-based CEO of Enlightened Marketing, a firm that specializes in helping companies advertise on Facebook and has placed more than \$4 million in ads on the platform. Howie has touted himself as a "Facebook Insider." He is pictured with Facebook CEO Mark Zuckerberg at a 2018 Facebook Community Boost event in St. Louis. Howie was on Facebook's Small Business Council in 2016, where he met with Facebook COO Sheryl Sandberg to provide feedback on the company's ad platform. He also claims to have "taken part in several high level internal Facebook beta tests." His company has worked with Colorado-based product marketing specialist Andreea Matei, who is also a 3C board member. Howie has also been a Skills Connect speaker.
- O Board member Stella Crewse, the CEO of Kansas City-based Morgan Miller Plumbing, has served as a member of Facebook's Small Business Council and made a Facebook Live video as part of Facebook's #SheMeansBusiness initiative on March 8, 2017. She has also met with Sheryl Sandberg. Crewse has also served as a Skills Connect speaker. Her company works with digital marketing strategist

https://www.facebook.com/business/m/smb-council/bios/victoria-wise

https://connectedcouncil.org/person/victoria-wise/

https://www.facebook.com/business/m/smb-council/bios/marlene-romo-flores

https://www.facebook.com/business/success

<sup>75</sup> https://www.linkedin.com/in/jeremyhowie/

https://enlightenedmarketingllc.com/

https://fbecomblueprint.com/

https://enlightenedmarketingllc.com/about/

https://www.greeleytribune.com/windsor/windsor-resident-reinvents-himself-through-successful-marketing-business/https://www.facebook.com/business/m/smb-council/bios/jeremy-howie

https://fbecomblueprint.com/

https://connectedcouncil.org/person/andreea-matei/

https://www.cobizmag.com/Companies/Preserving-and-Promoting-Access-to-Digital-Tools/

https://imggra.com/location/niche-workspaces/195513827642874

www.facebook.com/MorganMillerKC/videos/10154309042961129/?v=10154309042961129

https://shemeansbusiness.fb.com

<sup>72</sup> https://www.linkedin.com/in/wisevictoria/

<sup>73</sup> https://connectedcouncil.org/events/skills-connect-boulder/

<sup>74</sup> https://connectedcouncil.org/person/marlene-romo-flores/

<sup>&</sup>lt;sup>76</sup> https://fbecomblueprint.com/

<sup>77</sup> https://www.adweek.com/digital/the-facebook-community-boost-tour-kicked-off-in-st-louis/

<sup>78</sup> https://www.linkedin.com/in/jeremyhowie/

<sup>79</sup> https://fbecomblueprint.com/

<sup>80</sup> https://fbecomblueprint.com/

<sup>81</sup> https://connectedcouncil.org/events/skills-connect-boulder/

<sup>82</sup> https://allison-dollar-x6y9.squarespace.com/

<sup>83</sup> https://www.morganmillerplumbing.com/team-members

<sup>84</sup> https://connectedcouncil.org/events/skills-connect-boulder/

Allison Dollar, another Kansas City-based 3C member that the group has referred to as its "Congressional Champion." 85

Crewse wrote a letter to the editor of the *Columbia Missourian* in June 2018 that attacked the EU's General Data Protection Regulation, a measure that large tech companies fought against.<sup>86</sup> "Small businesses, like my plumbing company, rely on Facebook, Google, Pinterest, Quickbooks, and many more digital platforms and tools," she said. "If Congress regulates how digital companies collect and analyze data, I am concerned that they are only thinking about large corporations and will do something that will hurt our company and millions more small businesses that use these platforms and tools."

https://allison-dollar-x6y9.squarespace.com/

<sup>85</sup> https://www.onedragonkc.com/mmpportfolio-page

https://connectedcouncil.org/dollar-unleashes-the-dragon/

https://business.madechamber.org/events/details/3c-skills-connect-training-and-reception-easy-digital-marketing-tips-for-small-business-13539

<sup>&</sup>lt;sup>86</sup> https://www.columbiamissourian.com/opinion/letters\_to\_the\_editor/letter-to-the-editor-regulating-data-usage-is-a-drag/article\_9c2df972-742a-11e8-ba70-23aa6132124b.html